



November 12, 2019

The Honorable Board of Commissioners  
Township of Shaler  
300 Wetzel Road  
Glenshaw, PA 15116

Dear Commissioners,

Enclosed please find a copy of the proposed 2020 budget for the Township of Shaler. The Township of Shaler budgets are presented to you for introduction on November 12th and will be adopted on December 10, 2019. Budget workshop meetings will be scheduled during the month of November to discuss the details in these budgets. The highlights are as follows:

General Fund – The 2020 Township of Shaler General Fund Budget is presented to the Board of Commissioners with a recommended tax increase of one mill. This is the first tax millage increase to the residents of the Township since 2009. Township management recommends this tax increase due to ever increasing costs in infrastructure maintenance and repairs, as well as increased personnel costs including wages and benefits.

This tax increase is based on a thorough analysis of historical revenues and expenditures. The 2019 calendar year was a difficult year for the Township with many unplanned expenditures. The following budget categories exceeded the 2019 budget allocation by a total of \$1.3 million: road paving, contributions to Shaler/Hampton EMS, removal of silt from East Little Pine Creek at the Kay Street Bridge, stream stabilization, the July storm cleanup, storm sewer construction, and unplanned equipment purchases for the public works department.

In addition, the 2020 budget includes necessary expenditures to maintain our commitment to infrastructure improvements. Township management has budgeted the 2020 road paving program at \$1,225,000. This is a combination of both the General and Liquid Fuels Fund. The storm sewer maintenance budget has increased from \$385,00 to \$650,000. Over the last several years, this line item has exceeded budget by record amounts. The number of storm sewer lines throughout the Township that are comprised of corrugated steel pipe that crisscross through private property and are extremely deep make it impossible for in house repairs to be done. The lines have been deteriorating in record numbers and the contracted repairs range from \$25,000 to \$125,000 per line. The 2020 budget also includes funding for stream stabilization, as this has also become a critical maintenance item for the Township.

The 2020 budget also includes line items for three key retirements: Chief of Police, the Manager's administrative assistant and the Recreation Foreman. There will be additional costs for overlap of replacement staffing as the new hires/promotions learn their new responsibilities.

The 2020 General Fund budget includes the following equipment purchases: 2 police vehicles and the possibility of a second police motorcycle or replacement of the current motorcycle. The public works department requested the replacement of one F-750 dump truck with a large Mack dump truck. This vehicle is funded from the Liquid Fuels budget. They also requested a F-550 dump truck to replace a 2010 F-550. Due to budget concerns this vehicle has not been budgeted for in the General Fund.

Personnel and benefit costs account for \$7,587,340 in total expenditures. The police and public works department are contractual increases and management has been budgeted at minimal increases in accordance with past practices. There was no increase in health care costs for the Township for 2020. However, our monthly health care rates continue to be one of the highest rated groups in the Municipal Benefits Services groups, although many members of this consortium are experiencing record increases and are catching up to our monthly rates.

The Township of Shaler Sanitary Sewer budget has no significant revenues or expenditures that are inconsistent with prior years. The 2020 budget includes equipment purchase of a F-350 pick-up truck for sanitary sewer supervision, but before this purchase is approved a thorough analysis of existing equipment and assignment of vehicles will be conducted to ensure that this purchase is necessary.

The 2020 Capital Improvements budget contains many items that are deemed necessary by Township management. We recommend the purchase of body cameras for the police department, along with some security upgrades to the police station. The public works capital improvements budget includes the Elfinwild Road retaining wall for the Elfinwild Road bridge replacement work contracted by Allegheny County. In addition, we must upgrade the in-house fuel system to comply with DEP regulations and permits. The library rent advancement has a corresponding revenue, so this line item is revenue/expenditure neutral. The Township has committed for three years to a combined project with Allegheny County Sanitary Authority, PennDOT, Sharpsburg Borough, and O'Hara Township for the Ravine Street sanitary sewer line repair. The Township's portion of this project is \$185,000. The 2020 Recreation Capital Improvements budget includes the completion of the Crawford Pool spray pad, as well as replacement of the Danube parklet basketball court. A new budget category for the capital improvements budget is MS 4 Compliance and Pollution Reduction. The Eagle Canyon Trail project has been budgeted at \$350,000 for both the 2020 and 2021 budget years. There is a corresponding grant revenue from State Representative Lori Mizgorski for \$350,000 to help offset these expenses.

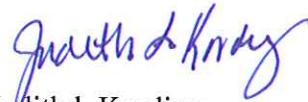
Tim and I would like to thank the Board for their commitment to making difficult financial decisions in the best interest of the Township. We believe that we have been fiscally prudent for the past several years and do not recommend this tax increase lightly. However, we also feel that we must continue to provide our residents with a commitment to infrastructure, a professional police department, and a second-to-none public works department. Our administrative staff is extremely lean in comparison to many of our neighboring communities and our teamwork approach with the Board of Commissioners makes Shaler Township a First-Class Community with first class services and programs. We look forward to meeting with you to discuss the 2020 budget in more detail at the budget workshop sessions.

Very truly yours,

TOWNSHIP OF SHALER



Timothy J. Rogers  
Manager



Judith I. Kording  
Assistant Manager  
Director of Finance and Administration